

MEMORANDUM FOR: Deputy Director (Plans)

SUBJECT: Administrative Plan for SA Division
Subsidiary Project AEBASIN-PP

I. Objective of the Project

1. The objective of the project is to furnish financial support and operational guidance to the principal agent of an emigre organization for the purpose of utilizing the organization in certain PP activities against the Soviet regime. Specifically, the purposes of the project are:

(a) To exploit the political action potential of the key personnel of the emigre organization;

(b) To support the publication and distribution of leaflets and other propaganda material in the target area;

(c) To combat the influence of the Communist Party in the target area through the utilization of radio broadcasts; and

(d) To support the role of the principal agent in developing his emigre organization into an influential emigre center, and also developing extensive contacts with other emigre organizations and key individuals in the U. S. and in other countries where substantial emigre groups exist.

II. Background of the Project

2. The Soviets have been successful in liquidating most of the potential anti-Communist leadership within the target area. The task of developing new leadership among the younger generation of target area populace falls largely upon the emigre groups and their backers. The emigre groups in the U. S. and in other countries have been working toward this end by maintaining their own churches, educational societies, newspapers, magazines, scholarships, and scout movements. These groups have also been promoting choral, athletic, and theatrical groups as well as public demonstrations and other forms of propaganda and counter-propaganda.

3. The major emigre groups in the U. S. from the target area represent the only operational assets of the project at the present time. Developing these assets, it is hoped, will ultimately result in opportunities to penetrate the target area, or at least provide an instrument for plausible denial in case of compromise of field operations designed to accomplish such penetration.

4. The emigre groups have no radio facilities of their own for broad-

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DATE 2007

last to the target area. There are no facilities available with Radio Free Europe at the present time for broadcasts to the target area. An attempt was made in August 1953, to secure independent radio facilities from the Pan-American Broadcasting Company, but the arrangement was never consummated due particularly to certain complications existing between the broadcasting company and the State Department. However, on instructions from Headquarters, the emigre organization in the U. S. has been negotiating with radio stations in Europe, and these negotiations have resulted in the procurement of radio time with at least one (1) station.

III. Budget

5. The project was approved by the DGI on 31 January 1953, and the sum of [] was authorized for the project for Fiscal Year 1953. The total expenditures incurred by the project for Fiscal Years 1953 and 1954 amount to [] and [] respectively. The total funds requested for the project for Fiscal Year 1955 amount to []

IV. Administrative Plan

6. It is to be noted that the activation of this Administrative Plan is subject to the approval of funds for the project for Fiscal Year 1955. This Plan has been concurred in by the interested staffs and divisions and is recommended for your approval.

[] Chief
Project Administrative Planning Staff, DD/A

[] Jr.
Project Officer

PAPS/DDA/AAE:vgg
(17 September 1954)

ARBASIN-PP
Concurrence Sheet

10/ []
Division

16 September, 1954
Date

10/ []
Office of the Comptroller

16 September 1954
Date

10/ []
Office of the General Counsel

20 September 1954
Date

10/ []
Main Office

16 September 1954
Date

10/ []
Security Office

16 September 1954
Date

ADMINISTRATIVE PLAN
Subsidiary Project
Administrative Plan

Expenditures and Funding

1. The SR Division shall prepare annually, prior to submission of the project for approval, an itemized operating budget which shall conform with the categories set forth by the project outline. After approval of the project, the budget shall be made available to the Office of the Comptroller where it will be reviewed in order to assure that the budgeted funds are (a) within the authorized amount of the approval, and (b) for activities within the scope of the approved project outline.

2. The Office of the Comptroller shall be furnished with advice of any substantial approved within-year revisions in the total budget or material changes in the scope of the project activity.

3. Funds shall be made available to the project in accordance with the project approval and the Finance Division shall advance funds for the project within the amount of the approved project allotment upon the request of the SR Division.

4. Agency funds advanced ~~under this project shall be~~ ~~used to meet the estimated cost of~~ radio broadcasting time, propaganda materials, salaries of agents, travel, office and workshop rental, news service, etc. ~~The payment of for~~ ~~made to meet the estimated cost of radio broadcasting~~ ~~and the~~ ~~activities shall be contingent upon a budget showing the amount~~ ~~for the ensuing period.~~

Agency funds of this project shall be transmitted to the principal agent (located Statewide) in a sterile manner approved by the SR Division. The principal agent will transmit funds to the covert associate (abroad) for activities in the target area. The principal agent shall render a signed receipt for each transmittal of funds to him from the Agency, showing the date and amount of the funds received, and acknowledging the purpose(s) for which such funds are provided. The principal agent shall provide documentary evidence such as, bank drafts, etc., showing the transfer of funds to the covert associate for the operational area activities. Where operationally possible, signed receipts shall be obtained for each transmittal of funds to the final recipients. All receipts shall be transmitted promptly to the Finance Division for retention.

5. An appropriate document evidencing Agency title to Agency funds in the possession of the principal agent will be executed by the principal agent and approved by the Office of General Counsel. This document shall be submitted to the Finance Division for file.

II. Accounting and Reporting

7. The principal agent and the covert associate shall submit signed financial statements on the use of Agency funds at least every three (3) months. Such statements shall show the total funds made available to the principal agent and the covert associate, the balance of such funds on hand at the beginning and end of the accounting period, and receipts and expenditures thereof during such period, with the latter classified by purpose. The headquarters case officer shall review the financial statement and attach his certification thereto, attesting that, to the best of his knowledge and belief, and based on reports of accomplishments, the funds were expended for the purpose(s) for which they were advanced. The financial statements and the certifications of the headquarters case officer shall be submitted to the Finance Division for retention.

8. The terms of payment for the radio broadcasting time will be reduced, if operationally possible, to a written contract executed by the covert associate and the broadcasting station. If, for operational reasons, a written contract cannot be obtained, then a memorandum setting forth the terms of the oral agreement and the reasons for not obtaining a written contract shall be prepared by the covert associate and approved by the headquarters case officer. A copy of the written contract or memorandum shall be submitted to the Office of General Counsel for review and forwarded to the Finance Division for file.

III. Writeoff

9. The authorized certifying officer shall have the authority to accept the receipts referred to in paragraph 5, above, as the accounting for the write-off of the amounts involved and as a basis for establishing memorandum control accounts which are maintained for the purpose of reflecting the unaccounted-for portion of such grants.

10. The authorized certifying officer shall have the authority to accept the financial statements and attached certifications referred to in paragraph 7, above, for recording in the memorandum control accounts.

IV. Security Policy

11. No indigenous individual connected with this project shall be made aware of KUBARK or OBYOKE interest without prior security clearance from Staff C or Security Office, as appropriate. The names and all other available information on those individuals who are deemed to be in a position to compromise, embarrass, or interfere with the operation must be submitted to Staff C for security review.

**ALBASIL-PP
Subsidy Project**

APPROVED, by direction of DR/P

/s/ [] []
Chief of Administration, DR/P

22 September 1954
DR/P

AUTHORIZED

/s/ L. E. White
Deputy Director (Administration)

15 October 1954
DR/P